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Message Text

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PAGE 01 NEW DE 04571 231112Z
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 USIE-00 INRE-00 PM-05 H-02 INR-10 L-03
PA-02 SP-02 SS-15 AID-05 ACDA-12 IO-14 EB-08
NRC-07 OES-07 SOE-02 DOE-15 CEQ-01 /121 W
----------101205 231115Z /11
O P 231048Z MAR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC IMMEDIATE 0405
INFO AMCONSUL BOMBAY PRIORITY
AMCONSUL CALCUTTA PRIORITY
AMCONSUL MADRAS PRIORITY

UNCLAS NEW DELHI 4571

E.O. 11652: N/A
TAGS: MNUC, ENGR, IN, US
SUBJECT: PRIME MINISTER DESAI'S STATEMENT ON TARAPUR FUEL

1. THERE FOLLOWS THE RESPONSE READ OUT BY PRIME MINISTER DESAI IN THE LOK SABHA 23 MARCH IN RESPONSE TO A CALLING ATTENTION NOTICE REGARDING THE REPORTED DECISION OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION TO PUT OFF THE RELEASE OF ENRICHED URANIUM FOR THE TARAPUR ATOMIC POWER STATION AND THE CONSEQUENCES ARISING OUT OF IT. WE WILL BE REPORTING IN A SUBSEQUENT MESSAGE THE MAIN POINTS OF THE EXCHANGES BETWEEN THE PM AND MEMBERS IN THE COURSE OF THE HALF HOUR DISCUSSION WHICH FOLLOWED.

BEGIN TEXT:

ENRICHED URANIUM WHICH IS NOT PRODUCED IN INDIA IS REQUIRED FOR THE MANUFACTURE OF FUEL FOR THE TARAPUR ATOMIC POWER STATION BUT NOT FOR ANY OF OUR OTHER NUCLEAR POWER STATIONS WHICH ARE OF DIFFERENT DESIGNS.
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THE BILATERAL AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF INDIA PROVIDES THAT ALL REQUIREMENTS OF ENRICHED URANIUM FOR USE AS FUEL AT TARAPUR SHALL BE MADE AVAILABLE BY THE U.S. AND THAT INDIA SHALL NOT OBTAIN THESE FROM ANY OTHER SOURCES. ACCORDINGLY, ENRICHED URANIUM IS EING IMPORTED ONLY FROM THE U.S.A. ON AN AVERAGE ABOUT 17 TO 21 TONNES OF

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ENRICHED URANIUM IS BEING IMPORTED ONLY FROM THE USA
EVERY YEAR. IN ACCORDANCE WITH THE CURRENT PROCEDURES IN
THE UNITED STATES, CONSIGNMENTS OF ENRICHED URANIUM
REQUIRED FOR TARAPUR ATOMIC POWER STATION ARE SUBJECT
TO AN EXPORT LICENCE TO BE GIVEN BY THE U.S. NUCLEAR
REGULATORY COMMISSION (USNRC), A QUASI JUDICIAL
BODY WHICH IS INDEPENDENT OF THE U.S. GOVERNMENT EXECUTIVE
BRANCH. THESE EXPORT LICENCE APPLICATIONS FOR ENRICHED
URANIUM ARE CONSIDERED BY THE USNRC AFTER CLEARANCE IS
CONVEYED BY THE EXECUTIVE BRANCH. PRESENTLY TWO
LICENCES ARE PENDING WITH U.S. DEPARTMENT OF ENERGY FOR
7.6 TONNES AND 16.7 TONNES OF ENRUCHED URANIUM RESPECTIVELY.
THE CONSIGNMENT OF 7.6 TONNES WAS DUE TO HAVE BEEN SHIPPED
IN SEPTEMBER 1977 AND LICENCE XSNM 1222 APPLIED FOR ON
1ST NOVEMBER, 1977 IS SCHEDULED FOR SHIPMENT BETWEEN
APRIL AND OCTOBER 1978. THESE REQUIREMENTS CLOSELY
FOLLOW THE SCHEDULES WORKED OUT IN CONSULTATION WITH EXPERTS
DEPUTED BY THE U.S.A. FOR THIS PURPOSE IN SEPTEMBER, 1976.

THE DESPATCH OF THE FIRST CONSIGNMENT WAS DELAYED
BECAUSE THE NON-PROLIFERATION BILL DEALING WITH LONG-
TERM POLICY OF THE U.S. GOVERNMENT WAS UNDER THE CONSIDERATION
OF THE CONGRESS. NEVERTHELESS DURING HIS VISIT TO INDIA IN
JANUARY, 1978, PRESIDENT CARTER ANNOUNCED IN PARLIAMENT
THAT THE SHIPMENTS OF NUCLEAR FUEL WILL BE MADE FOR THE
TARAPUR REACTOR. ON 26TH JANUARY, 1978, THE EXECUTIVE BRANCH
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OF THE U.S. GOVERNMENT RECOMMENDED TO THE U.S. NRC THAT THE
LICENCE FOR THE PENDING APPLICATION FOR 7.6 TONNES OF ENRICHED
URANIUM BE ISSUED. ON FEBRUARY 13, 1978, THREE ENVIRONMENTALISTS
GROUPS IN THE U.S.A. NAMELY, THE NATIONAL RESOURCES DEFENCE
COUNCIL, THE UNION OF CONCERNED SCIENTISTS AND THE SIERRA
CLUB WHO HAD ALSO OBJECTED TO AN EARLIER SHIPMENT SUBMITTED
A MOTION REQUESTING THE NRC TO REOPEN THE PUBLIC HEARINGS
OF MAY 7, 1976 ON THE TARAPUR FUEL EXPORTS ND TO
CONSOLIDATE THE PROCEEDINGS ON BOTH THEPENDING LICENCES
FOR 7.6 TONNES AND 16.7 TONNES. ON FEBRUARY 21, 1978, THE
EXECUTIVE BRANCH URGED THE NRC THAT THE ISSUE OF THEPENDING
LICENCE FOR 7.6 TONNES FOR WHICH EXECUTIVE CLEARANCE HAD
BEEN GIVEN SHOULD NOT BE FURTHER DELAYED. THE U.S. NRC HAS NOT
YET TAKEN A DECISION WHETHER OR NOT TO HOLD PUBLIC HEARINGS
ON THE EXPORT LICENCE APPLICATION FOR TARAPUR ATOMIC POWER
STATION WHICH IS PRESENTLY PENDING WITH THEM. IT IS
REPORTED THAT A DECISION COULD NOT BE TAKEN ON THIS
QUESTION AT MEETINGS HELD BY THE U.S. NRC ON 16TH MARCH,
1978 AND 20TH MARCH, 1978 ON ACCOUNT OF THE ABSENCE OF
TWO MEMBERS. THE CHAIRMAN OF THE NRC HAS DEFERRED
DECISION PENDING CONSULTATION WITH THEOTHER TWO MEMBERS.

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GOVERNMENT HAVE CONSTANTLY BEEN IMPRESSING UPON THE
U.S. AUTHORITIES THE NECESSITY OF MAINTAINING CONTINUED
SUPPLIES OF ENRICHED URANIUM FOR THE TARAPUR ATOMIC
POWER STATION IN ACCORDANCE WITH THE INTER-GOVERNMENTAL
AGREEMENT AND THE SUBSEQUENT SALE CONTRACT BTWEEN THE
TWO COUNTRIES. IT HAS BEEN POINTED OUT THAT DELAYS IN
SUPPLIED OF ENRICHED URANIUM HAVE ALREADY ADVERSELY
AFFECTED THE FUNCTIONING OF NUCLEAR FUEL COMPLEX AT
HYDERABAD AND ALSO RESULTED IN INVOLUNTARY REDUCTION
IN THE OUTPUT OF POWER ISSUE BUT ON ACCOUNT OF PROCEDURAL
REQUIREMENS. WE BELIEVE THAT THE U.S. ADMINISTRATION
IS DOING ITS BEST TO EXPEDITE THE DISPOSAL OF THE
OBJECTIONS TAKEN BUT THE THE FINAL DECISION ON THE
OBJECTIONS IS NOT IN THEIR HANDS.
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AS A RESULT OF THE DELAY THE POWER OUTPUT IS ALSO
SUFFERING. WE ARE TRYING TO ENSURE SUPPLIES TO AVOID
A COMPLETE SHUT-DOWN AND ALREADY THERE HAS BEEN PARTIAL
ADVERSE EFFECT ON PRODUCTION OF ENERGY. IN THE CIRCUMSTANCES
WE ARE FACED WITH, THIS IS INEVITABLE. I ONLY HOPE THAT
THE US ADMINISTRATION WILL SUCCEED IN GETTING THE
OBJECTIONS OVERRULED AND SHIPMENTS WOULD BE RESUMED
BEFORE LONG.
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Message Attributes

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Draft Date: 23 mar 1978
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Decaption Note:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: n/a
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Handling Restrictions: n/a
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ISecure: 1
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